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☆ APR 13 1942

BY L. C. OFFICE
WESTERN AAA

North Dakota

Wheat Marketing Quota Handbook



Well Boys-

what are we going to do with it-?

VOTE MAY 2

Wheat Marketing Quota Referendum

APR 17 1942

WHEAT MARKETING QUOTA REFERENDUM HANDBOOK

MR. AND MRS. WHEAT GROWER!

On May 2, 1942 farmers will decide in a National referendum whether or not they want marketing quotas in effect on their 1942 wheat crop. We believe May second is the most important day of the year for North Dakota wheat growers.

Here in handy form is background material and information which should be helpful to you in making your decision. As farmers working together in a National Farm Program it is also our duty to see that our friends and neighbors and the general public have the facts on the Wheat Marketing Quota Referendum.

A vote for quotas is a vote for the gains we've made for agriculture during the past 9 years. It's not a thing to consider lightly! Our AAA Program is vital to our Nation's war effort; marketing quotas and loans are necessary to protect our wheat income; orderly handling of our wheat supplies is extremely important to our wheat storage and transportation problems; we need soil conservation, acreage allotments, orderly marketings, and planned production if we are to continue to produce "Food for Freedom" and to maintain a stabilized agriculture. Farmers who vote for quotas are willing to put the punch in where it counts to smash the Axis.

We hope that you'll get out and vote on May 2 and that you'll encourage your neighbors to do the same. We hope you'll recognize the fact that Uncle Sam's got his hands full and shouldn't be forced to worry about a National wheat problem. Farmers can handle the situation themselves at neighborhood ballot boxes on May 2. That's the democratic way, the AMERICAN way, to do it.

COUNTY AAA COMMITTEE

1941 WHEAT PRODUCTION

UNITED STATES.....	945,937,000 Bushels
NORTH DAKOTA.....	146,198,000 Bushels

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1941 WHEAT LOAN PROGRAM

UNITED STATES.....	356,091,897 Bushels
NORTH DAKOTA.....	Total— 63,779,472 Bushels
Farm Storage.....	32,124,854 Bushels
Elevator Storage.....	31,654,618 Bushels

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UNITED STATES WHEAT SITUATION

Estimated carryover July 1, 1942.....	635,000,000 Bu.
Estimated Winter wheat.....	631,000,000 Bu.
Normal spring wheat production.....	162,000,000 Bu.
Total estimated 1942-43 supply.....	1,428,000,000 Bu.
Domestic consumption.....	690,000,000 Bu.
Export (10 year period ending June 30, 1942).....	49,000,000 Bu.
Reserve (35 percent).....	259,000,000 Bu.
Total (Level at which quotas must be declared)....	998,000,000 Bu.

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WHEAT PRICES IN 4 WHEAT COUNTRIES

These are average **farm** wheat prices in 4 major wheat producing countries on February 20, 1942. U. S. wheat producers are getting 50c per bushel **more** than growers in other wheat countries. Figure out what that means to North Dakota, or to your county, or to your farm!

AUSTRALIA	59.4c per bushel.
ARGENTINA.....	43.4c per bushel.
CANADA.....	58.2c per bushel.
UNITED STATES.....	\$1.09¾ per bushel.

You no doubt remember when we used to listen to the radio quotations of the Liverpool wheat market—when our wheat price was governed by the World Market. We don't do that now. We have established our own market through the Ever-Normal Granary and Loan programs. The wheat marketing quota vote gives us the opportunity to continue to be masters of our own wheat markets. If quotas should fail, we'd be right back on a world price basis and our local markets would correspond to the markets in these other countries. Make no mistake about that!

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WHEAT AND THE WAR

We are waging a war against international gangsterism. It's an all-out change in life for the duration. Agriculture, like industry, labor, and all other phases of our national economy, must ruthlessly reorganize its work and production. There must not be "farming as usual", any more than there can be business as usual.

Wheat production is no exception. **Wheat growing must fit in with our Nation's war plan.** This is no time to expand wheat production when many war crops are badly needed.

Wheat farmers are as patriotic and unselfish as any group in the country. They are anxious to learn what their part is going to be in our all-out effort. They know that wheat is a vital part of our diet; they should also know that too much wheat is undesirable.

We can regard with a certain amount of pride the reserves of wheat now on hand in the United States, but our job is only half done. We must provide for the orderly handling of these supplies and see that our grain handling facilities are not disrupted by an uncontrolled flood of wheat produced on acreage in excess of our national requirements.

The war has made the wheat problem even more serious than it has been in the past. Problems which were comparatively minor have taken on major importance. Last year the job of handling wheat, for example, was secondary. Today orderly production, marketing, and handling is paramount because so much depends upon the efficient use of our whole economy in the prosecution of this war. This means that machinery, human labor, storage facilities, transportation, and the host of other things that make up our agricultural production plant cannot be wasted or misused.

The wheat industry must be maintained in a healthy condition, keeping both soil and human resources in mind. Soil must be kept in a sound condition so that production can be obtained as needed, and human resources must be maintained through a fair return which assures continued production.

Definitely, quotas will help the wheat farmer do his job properly during wartime and assist in making his maximum patriotic contribution. Briefly, here's why:

1. Quotas provide for an organization of supplies so transportation systems will not be clogged.
2. They make possible more efficient use of storage facilities, now so valuable to the food program.
3. They aid in directing wise and efficient production rather than dissipating it on things that are not needed at present.
4. They help maintain a strong wheat structure for production of wheat as it is needed and at fair prices.
5. They help maintain soil resources for continuing production of wheat.
6. They help alleviate the situation caused by virtually complete lack of export outlets.
7. They help divide equally the responsibility for adjustment among all wheat farmers, cooperatively and democratically.

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ENOUGH WHEAT FOR TWO YEARS

We have enough wheat on hand to take care of all conceivable domestic needs. In fact, our supply on July 1, 1942 will be large enough to take care of expected demands for a 2-year period.

NO DANGER OF WHEAT SHORTAGE

United States farmers have never produced less than 500 million bushels of wheat in any year since 1890. Even during poorest crop years we produce almost as much as we can use domestically. In the extreme drought years of the middle thirties our production was only about 150 million bushels less than our consumption. Our reserves of better than 600 million bushels would carry us through four such years if we should ever see them again.

Forecasts for 1942 indicate that our wheat crop will exceed domestic consumption by nearly 150 million bushels—which will be added to our already tremendous reserve. This would result in an estimated carry-over of 753 million bushels on July 1, 1943—a carry-over bigger than many annual harvests.

Export outlets of any quantity are not in sight; so, the possibility of whittling our reserve through foreign trade is extremely limited. Even with a sudden end to the war and a restoration of normal shipping—an unforeseen eventuality—our reserves are big enough to fill all likely demands until later crops.

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VITAL WHEAT STATISTICS

	1940	1941	1942
	(million bushels)		*
Carry-over July 1.....	282	385	630
Production.....	815	946	793*
Total supply.....	1,097	1,331	1,423*
Domestic disappearance.....	675	680	670*
Exports.....	37	21	
Total utilization.....	712	701	670*
Carry-over July 1.....	385	630	753†

*Estimated.

†Carry-over July 1, 1943, plus 1942 exports.

The above table shows the gigantic size of our wheat supply. We have abundant reserves. It is essential that they be kept under control. Otherwise, they could disrupt transportation and storage and leave our wheat producing structure in a very disorganized position for the duration of the war and after.

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WHEAT SITUATION IN WESTERN HEMISPHERE

Supplies of wheat in the other major wheat producing Western Hemisphere countries of Argentina and Canada are as large as, or even larger than ours.

Canada is whittling her reserves slightly but still expects a carry-over of 490 million bushels on July 1, 1942. It would take Canadians about 3 years to consume this wheat domestically. They are sending some to England. It appears, however, that they are in for a large carry-over the next few years.

Argentina is in about the same position with supplies far exceeding indicated markets.

Over a billion bushels of wheat from American countries is available for export into the world market. Prospects for exportation at this time are slim.

WHEAT STORAGE VERY TIGHT

Available space in which to store the 1942 crop will be even more limited than in 1941. It is estimated that our carry-over of wheat on July 1, 1942, will be about 630 million bushels, which is 255 million bushels larger than the big carry-over on July 1, 1941. This means that storage space will have to be expanded and stretched to the limit to absorb this year's crop of wheat. Limited supplies of cement and steel will prevent the building of much additional terminal storage, but there is every possibility that farm storage can be expanded.

Wheat stocks on farms on January 1, 1942, were 93 percent more than average. Supplies in county mills and elevators were 207 million bushels on the same date, as compared with the 1935-40 average of around 100 million bushels. Terminals were storing 270 million bushels of wheat on January 1 this year, which is 177 percent over the 1935-40 average. Merchant mill storage on January 1 was 24 percent over average.

Storage was taxed to capacity in handling a large 1941 crop and a carry-over of 385 million bushels. The problem will be much more difficult this year with the largest carry-over in history and indications of a crop of nearly 800 million bushels.

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FAIR WHEAT PRICE VITAL

Every part of our economy needs to be in a strong position for the successful prosecution of the war. Fair wheat prices keep our farmers in that strong position which is so essential for the production of other farm products vitally needed in our war effort. During this period of abnormal supply, wheat marketing quotas are essential to the maintenance of fair prices.

Domestic wheat prices have consistently followed loan prices during the last few years. Average prices received by farmers since 1938 are contrasted with loan rates as follows:

	1938	1939	1940	1941
Price received by farmers (cents).....	56.1	69.2	68.2	95.6*
Average loan rate.....	53	63	65.5	98 †

*Preliminary estimate, first 6 months of marketing year (Feb. 20, 1942, price about \$1.09)

†Preliminary estimate, as of beginning of marketing year.

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MARKETING QUOTA REGULATIONS

First of all—remember . . . NO QUOTAS—NO LOANS!

WHO CAN VOTE—Any producer who shares the proceeds of the 1942 wheat crop as **owner**, **landlord** or **tenant** is entitled to one vote, provided the farm is subject to the quota.

Quotas apply to all producers who have planted more than 15 acres of wheat and the normal production on the acreage planted is 200 bushels or more.

Non-resident landlords may secure a ballot and mailing instructions from their nearest AAA Office. Ballots must reach the county in which the farm is located not later than the hour for closing the polls on May 2.

Any producer who **DOES NOT** overseed his wheat acreage allotment may market all the wheat he can produce.

If a producer overseeds his wheat allotment, the farm marketing quota for his farm will be the amount of wheat produced—**less the smaller of**—(1) the normal production of the excess acreage, or, (2) the amount by which the actual production exceeds the normal production of the acreage allotment.

The penalty for excess wheat will be 50 percent of the basic loan rate.

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FEDERAL COURT DECISION IN OHIO

Don't let this decision confuse you. The recent Federal Court decision in Ohio was based entirely on the fact that the penalty was hiked after the crop was seeded, a situation which won't be true in connection with quotas for 1942. Regardless of the outcome of that case, the legality of quotas themselves or the penalty as applied to 1942 quotas will not be affected.

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A VOTE AGAINST QUOTAS IS A VOTE FOR CHEAP WHEAT!

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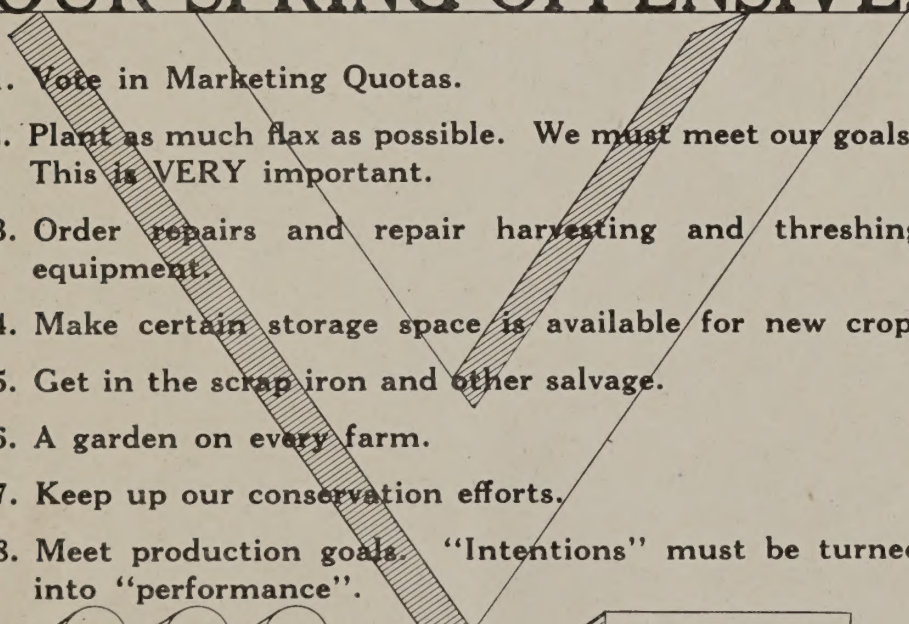
WHEAT STORAGE CRITICAL ! !

It's going to be up to every farmer to make certain that he has a place to store his 1942 wheat crop. About the only safe thing for him to do is to provide storage right on the farm.

Commodity Credit Corporation will advance the 7c storage allowance to **all** producers at the time the wheat loan is made. This will go a long way to pay for new or remodeled storage space.

"To keep it from harm—store it right on the farm".

OUR SPRING OFFENSIVE!

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1. **Vote in Marketing Quotas.**
 2. **Plant as much flax as possible. We must meet our goals. This is VERY important.**
 3. **Order repairs and repair harvesting and threshing equipment.**
 4. **Make certain storage space is available for new crop.**
 5. **Get in the scrap iron and other salvage.**
 6. **A garden on every farm.**
 7. **Keep up our conservation efforts.**
 8. **Meet production goals. "Intentions" must be turned into "performance".**
 9. **Buy U. S. Bonds and Stamps to the limit.**

NORTH DAKOTA MUST NOT FAIL TO DO HER PART!

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

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